

Housing

That policy was the last gasp of the Keynesian consensus. We were asking questions and putting forward ideas, the like of which we have heard tonight from the hon. member for Capilano and me. We talked frankly about how we could get around the danger of the tremendous amount of floating money available in the world. It used to be \$300 billion or \$400 billion in Eurodollars; now it is \$600 billion or \$900 billion. We do not know how many Eurodollars and petrodollars. This money was described in the committee as the biggest crap game in the world, and little Canada, with a few billion dollars in the reserve account, just cannot cope with that type of crap game. These people are constantly searching to make a quick buck, and they hope to find some country out of line with the realities of its country's economics.

The floating dollar we fought so hard to get in 1960—we finally got it in 1961—was being endangered because the bank was coming in and playing with borrowed money to try to hold its account. There is no way enough money can be borrowed by one country to hold that amount of money in check. The hon. member for Capilano mentioned that we would have to have \$60 billion to free us from this type of attack. I will not quarrel with that. I do not know how much we would need, but if we go back to that committee we would find that one of the suggestions was that we should make an alliance with all the countries in our commercial area of operation with which we share a certain amount of trust, such as Japan, the United States and Europe, and build up a big fund of \$60 billion or \$100 billion; we would all move to aid any country under attack by gambling and speculating groups, and then would be very reluctant to take on a \$60 billion or \$100 billion reserve which would move under one control.

Other ideas were put forward too. I think it would be a waste of time to repeat all those ideas which came out of that committee. I will just leave it this way: when that committee was in session for four months, interest rates did not move one iota. Terror must have existed among those people who dealt in financial theories going back 50 years to Keynes as they realized that there was an awakening and an intelligent type of criticism coming from common sense laymen—and that is how we can describe ourselves in the House. They did not want to face up to the public opinion we could command. We had the support of a man from Windsor who is now a minister in the government. We had the support of the New Democratic Party. One of our colleagues in the New Democratic Party has now gone on to higher things, to Ontario politics. And we certainly had the support of the Conservatives. Here was an all-party group freeing itself from partisanship and trying to get at the difficult question of domestic monetary policy.

I will not say anything more about that at this stage except to mention that when the government changed in 1980, we were refused the right in Parliament to carry out the idea—which had originally been proposed by a Liberal—that we have this committee offer its common sense to the Minister of

Finance and to the Governor of the Bank of Canada. We Canadians have paid an awful price for not having that group of people asking simple and common sense questions, because interest rates have gone crazy this last year, and there has been tremendous suffering among every class of people.

My final point is that there has been a debate on international monetary matters in the world, and there has been a debate on domestic monetary and fiscal matters, but not in Canada. The place that is closest is the United States, and they now call this type of economics Reaganomics. It is not Reaganomics. The economics of that really belongs to a Canadian by the name of Robert Mundell, who tried for years to apply the common sense test of quantitative analysis to all the great truths Keynes put forward. Mundell was joined by a mathematician by the name of Arthur Laffer, and later on one of the editors of the *Wall Street Journal*, Jude Wanniski, picked it up and put it into language we could understand. More recently a man named Harold Gilder attempted it, and others have been trying. Why is there not this debate in Canada? Is it because the newspaper editors are frightened to touch something about which they know nothing? I do not know. They certainly touch upon many subjects about which they know nothing. Is it because the politicians are frightened to discuss it because it would show their ignorance? Once again I do not know, because there was quite a number of politicians in that committee putting forward ideas, and they did not seem to be too terrified.

Let us look at the act we are now amending as an opportunity to apply the common sense I talk about based upon some understanding, small though it may be, of the quantitative analysis of our international monetary situation and our domestic situation and see if we cannot, in isolated segments of the economy—farmers, home owners, small businessmen and the man who is trying to export—bring interest rates down to a more humane level without any cost to the government. If we did that, the situation would not be perfect, but at least it would show the people of Canada that there are some of us here—I hope all of us—who are a little tired of the low opinion people have of us. The people's opinion of the press, radio, television and politicians is just thumbs down, and the result is that we just turn ourselves over to demagogues who have nothing but destruction in their minds.

I hope the minister will take seriously the proposals I have made here tonight and amend this bill. I hope he will be equal to the Minister of Agriculture in cabinet. If he has any trouble, he can bring this matter back to the House, and we will certainly straighten it out for him. Every member of the Liberal party will back him. Every member on this side of the House will back him because it is not right that people should have to endure what they have to endure to get homes today.

Some hon. Members: Hear, hear!